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His Mentor Must Be Proud

Gore Rewrites History on Social Security Proposal

In an interview printed in today's *Washington Post*, Vice President Al Gore asserts that the Clinton/Gore Administration never "proposed" direct investment of Social Security balances in the private markets. "We didn't really propose it. We talked about the idea," Gore says. Makes you wonder what the definition of "propose" is:

- **Clinton/Gore Budgets:** Page 41 of last year's Clinton/Gore budget reads: "The administration **proposes** tapping the power of private financial markets to increase the resources to pay for future Social Security benefits. Roughly one-fifth of the unified budget surplus set aside for Social Security would be invested in corporate equities or other private financial instruments. . . ." Page 37 of this year's budget says: "The President also **proposes** to invest half the transferred amounts [from general revenues into the Social Security trust fund] in corporate equities."
- **OMB Mid-Session Review:** Last summer's Office of Management and Budget Mid-Session Review reiterates the proposal for direct federal government investment in, and ownership of, private industry. Page 17 states: "As **proposed** in the budget in February, these transfers to Social Security will be invested in corporate equities, until equity holdings reach a limited share of the trust fund."
- **CBO Analysis:** The Congressional Budget Office analysis of the most recent Clinton/Gore budget includes an entire chapter on the Administration's Social Security proposal. Page 66 reads: "Under the **proposal**, the Social Security trust funds would be credited with amounts reflecting the increase in Social Security balances. . . . Half of the transferred amounts would be invested in corporate equities. (The trust fund would be able to invest up to 15 percent of its balances in private equities.)"

On March 24, 1999, the Senate voted 99-0 to oppose the Administration's proposed government ownership of private industry. Unlike popular Personal Savings Accounts, direct government investment of Social Security funds increases government control and interference of private markets and threatens our retirement security. Faced with that vote and nearly universal opposition from outside groups, including Federal Reserve Chairman Alan Greenspan, Vice President Al Gore is now running away from the issue by pretending it never happened. As the above documents attest, however, just because it's a lousy idea doesn't mean the Clinton/Gore Administration never proposed it.

Written by Brian Reardon 224-2946; [Gore quote from May 2, 2000, *Washington Post*, p. a12]